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Timothy M. Hogan (004567)  
ARIZONA CENTER FOR LAW  
IN THE PUBLIC INTEREST  
202 E. McDowell Rd., Suite 153  
Phoenix, Arizona 85004  
(602) 258-8850

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Attorneys for Arizona Association of School  
Business Officials

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

KRISTIN K. MAYES, CHAIRMAN  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

IN THE MATTER OF THE APPLICATION  
OF ARIZONA PUBLIC SERVICE  
COMPANY FOR A HEARING TO  
DETERMINE THE FAIR VALUE OF THE  
UTILITY PROPERTY OF THE COMPANY  
FOR RATEMAKING PURPOSES, TO FIX A  
JUST AND REASONABLE RATE OF  
RETURN THEREON, TO APPROVE RATE  
SCHEDULES DESIGNED TO DEVELOP  
SUCH RETURN

Docket No. E-01345A-08-0172

**NOTICE OF FILING TESTIMONY  
OF CHUCK ESSIGS, ARIZONA  
ASSOCIATION OF SCHOOL  
BUSINESS OFFICIALS IN  
SUPPORT OF SETTLEMENT  
AGREEMENT**

The Arizona Association of School Business Officials ("AASBO"), through its  
undersigned counsel, hereby provides notice that it has this day filed the testimony of

1 Chuck Essigs in support of the settlement agreement in connection with the above-  
2 captioned matter.

3 DATED this 1<sup>st</sup> day of July, 2009.

4 ARIZONA CENTER FOR LAW IN  
5 THE PUBLIC INTEREST

6  
7 By

  
Timothy M. Hogan

8 202 E. McDowell Rd., Suite 153

9 Phoenix, Arizona 85004

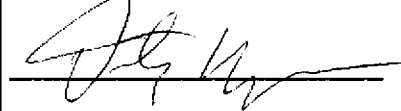
10 Attorneys for Arizona Association  
of School Business Officials

11 ORIGINAL and 13 COPIES of  
12 the foregoing filed this 1<sup>st</sup> day  
13 of July, 2009, with:

14 Docket Control  
15 Arizona Corporation Commission  
16 1200 W. Washington  
Phoenix, AZ 85007

17 COPIES of the foregoing  
18 electronically transmitted  
this 1<sup>st</sup> day of July, 2009 to:

19 All Parties of Record

20   
21

**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

KRISTINE K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

IN THE MATTER OF THE APPLICATION  
OF ARIZONA PUBLIC SERVICE COMPANY  
FOR A HEARING TO DETERMINE THE  
FAIR VALUE OF THE UTILITY PROPERTY  
OF THE COMPANY FOR RATEMAKING  
PURPOSES, TO FIX A JUST AND  
REASONABLE RATE OF RETURN  
THEREON, AND TO APPROVE RATE  
SCHEDULES DESIGNED TO DEVELOP  
SUCH RETURN.

DOCKET NO. E-01345A-08-0172

**Testimony in Support of the  
Settlement Agreement**

**Chuck Essigs**

**On Behalf of**

**Arizona Association of School Business Officials**

**July 1, 2009**

1                                   **TESTIMONY OF CHUCK ESSIGS**  
2                                   **ON BEHALF OF**  
3                                   **ARIZONA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**

4                                   (Docket No. E-01345A-08-0172)

5   **Q.     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

6   A.     Chuck Essigs. My business address is 2100 North Central Avenue, Phoenix, Arizona  
7           85004.

8   **Q.     WHAT IS YOUR POSITION?**

9   A.     I am the Director of Governmental Relations for the Arizona Association of School  
10          Business Officials.

11 **Q.     ON WHOSE BEHALF ARE YOU PROVIDING TESTIMONY IN THIS**  
12 **PROCEEDING?**

13 A.     I am providing testimony on behalf of the Arizona Association of School Business  
14          Officials.

15         The Arizona Association of School Business Officials ("AASBO") provide services to  
16         members in school districts in Arizona. AASBO has approximately 1,300 members. It  
17         provides a number of conferences and training classes to school district employees and  
18         provides information to members on the laws and regulations that impact the business  
19         operation of school districts.

20 **Q.     DID YOU PREVIOUSLY FILE TESTIMONY IN THIS MATTER?**

21 A.     Yes, I filed direct testimony on December 19, 2008.

22 **Q.     WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

23 A.     My testimony describes the impact of the proposed settlement on Arizona's public  
24         schools and the assistance that will be provided to schools in managing their energy  
25         consumption in an economic and efficient manner.

1 **Q. DOES THE ARIZONA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**  
2 **(“AASBO”) SUPPORT THE SETTLEMENT AGREEMENT?**

3 A. Yes.

4 **Q. WHAT IS AASBO’S PRINCIPAL OBJECTIVE IN THIS MATTER?**

5 A. We want to cooperate with the Commission and APS in developing solutions that allow  
6 schools to reduce demand and to reduce utility costs. Since the Arizona Legislature  
7 continues to prescribe spending limits for schools and beginning with the 2009-10 school  
8 year all utility expenditures will be a part of what districts are allowed to spend, it is very  
9 important that schools have the tools to improve their demand side management.

10 **Q. IS THE SCHEDULE FOR RATE INCREASES REASONABLE FOR SCHOOLS?**

11 A. With the rate increase taking effect on January 1, 2010 and with no new rate increases  
12 until at least July 1, 2012, schools will be able to plan for the rate increases until the  
13 2012-13 school year.

14 **Q. WILL THE AGREEMENT HELP SCHOOLS PAY FOR ENERGY EFFICIENCY**  
15 **PROJECTS?**

16 A. Schools have limited capital dollars available. The repayment plan that is part of the  
17 settlement will allow schools to pay for energy efficiency projects with future energy  
18 savings.

19 **Q. HOW WILL THIS PROPOSED SETTLEMENT IMPACT RENEWABLE**  
20 **ENERGY USAGE BY SCHOOLS?**

21 A. APS will install 50,000 MWh of annual energy generation or savings on approximately  
22 110 schools over the next three years.

23 **Q. HOW WILL OPTIONAL RATES ASSIST SCHOOLS?**

24 A. Within 90 days after approval of the settlement agreement by the Commission, APS will  
25 file a proposed optional rate for schools. This optional rate will provide reduced rates for

1 schools that can shift consumption from peak periods during the day and shift  
2 consumption from peak usage dates during the summer.

3 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

4 **A. Yes.**